

# DOMINO'S MODERN SLAVERY STATEMENT 2018



This modern slavery statement represents Domino's Pizza Group plc and subsidiary companies (DPG), the master franchise business that services the United Kingdom (UK), Republic of Ireland (ROI), Norway, Iceland, Switzerland and Sweden. The statement is published in accordance with the UK Modern Slavery Act 2015. Building on our activities over the last years, this statement describes our activities during the 2018 financial year.

DPG takes the human rights of its colleagues, suppliers and any workers involved in the manufacture and delivery of pizzas very seriously and we have a zero-tolerance position on modern slavery. One of our values is 'uncommon honesty' and so we encourage all our colleagues to spot the signs of modern slavery and labour exploitation, and to raise the alarm.

During the 2018 financial year, we have strengthened further and embedded our internal policies and procedures related to employment standards, bribery and corruption, whistleblowing and modern slavery. We have also assessed the risks of modern slavery in our direct supply chain and developed a programme to respond to these risks. This programme will be implemented in 2019.

## Our Group Structure

DPG has annual revenue of over £543 million. We hold the master franchise agreement to own, operate and franchise Domino's stores in the UK, the Republic of Ireland, Switzerland and Liechtenstein. We have a controlling stake in the holders of the Domino's master franchise agreements in Iceland, Norway and Sweden, as well as associate investments in Germany and Luxembourg. At the end of 2018 DPG had a total of 80 franchisees (72 in the UK and Ireland and 8 in Norway), 1,261 stores across 6 markets and 33 corporate stores in the UK.

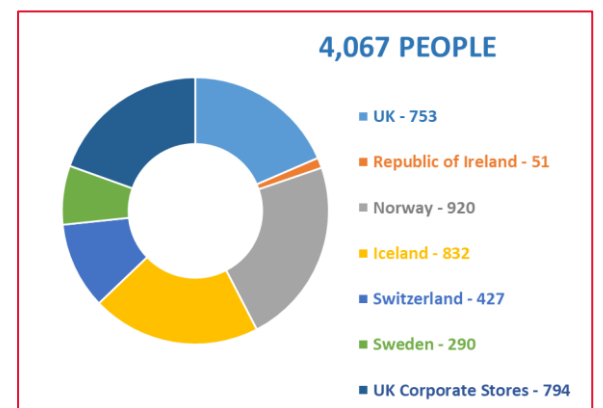
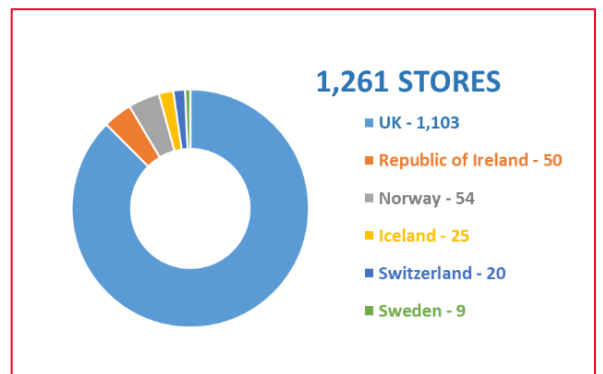
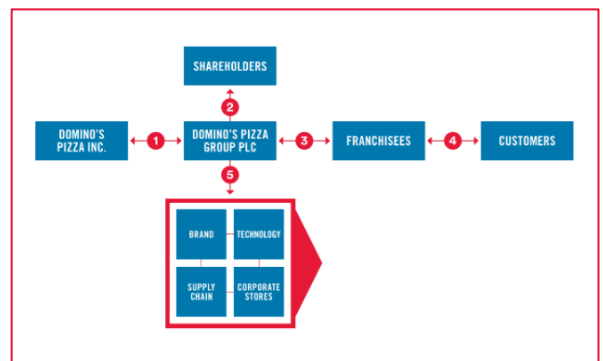
We work with our colleagues and franchisees to build the Domino's brand and ensure they have all the right tools to deliver great pizza. We source the ingredients for our pizzas and manufacture dough (except for gluten free) at our supply chain centres in Milton Keynes, Penrith, Naas, Warrington, Malmo, Reykjavik, Oslo and Stavanger.

The Group employs colleagues at our Head Office in Milton Keynes, supply chain centres in the UK and Ireland, and in its corporately owned and operated stores throughout the UK, Switzerland, Norway, Iceland and Sweden. The people who work in Domino's franchised stores are employees of the franchisee that owns and operates the store.

## Our Supply Chain and Franchisee Purchasing

We pride ourselves on our long-term relationships with suppliers. We have good visibility of our supply chain and control of the ingredients which go into our products. During 2018 we completed a full analysis of our food and non-food supply chains, identifying our preferred suppliers, listing manufacturing and sourcing locations, and assessing them against ethical, social and environmental risks, including modern slavery.

In our food supply chain we buy ingredients from 34 key food suppliers, all of whom we have good relationships with, and who source ingredients globally, including from Europe, China, Indonesia, Madagascar, Peru and Thailand. All our franchisees purchase ingredients from our specified suppliers via our supply chain centres, to ensure we maintain the quality and taste that makes a Domino's pizza.



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## Policies and Procedures relating to Modern Slavery

Domino's is committed to compliance with all applicable laws and regulations and to maintaining high ethical standards in all areas of its business; as such, any allegations of malpractice or unethical conduct are taken seriously. DPG expects all its colleagues, franchisees and suppliers to act in good faith with the highest levels of integrity, honesty and respect. This applies equally to all aspects of our business, and especially to our human resources policies and practices.

**At DPG** our policies, internal guidance and training set out how we expect our colleagues to behave, and to be treated. Our Business Code of Conduct, Anti-Bribery and Corruption and Whistleblowing policies outline the processes in place to investigate any misconduct, harassment, victimisation or bullying. Our Anti-Bribery and Corruption (ABC) policy lays out DPG's zero-tolerance approach to corruption, including issues such as modern slavery. In addition, our Whistleblowing policy signposts colleagues to an independent confidential hotline where they can raise concerns about business conduct or any illegal, criminal or other non-ethical behaviour, like labour exploitation, that they observe.

We updated our Whistleblowing policy in 2017 and rolled it out across the whole of DPG operations during 2018 (including our supply chain centres and international businesses). During 2018, we updated our ABC Policy, carried out a detailed analysis of bribery and corruption risks across all our operations and identified areas for enhanced training during 2019. We will continue with our DPG policy refresh during 2019 and will work to harmonise these policies across our international territories.

**Our franchisees** are required to operate in full compliance with all applicable laws and regulations and to uphold the Domino's brand values as part of the agreement we have with them. This franchisee agreement, by default, includes taking account of the requirements of the UK Modern Slavery Act 2015 (MSA) and the UK Bribery Act 2010.

**Our suppliers** are expected to adhere to best practice standards. During 2018 we articulated further the standards we expect of our suppliers by incorporating them into a Supplier Code of Practice. The Code of Practice lays out our expectations for suppliers on business integrity, health and safety, environment and labour rights, and specifically highlights the issues of forced labour. The Code of Practice will be rolled out across the supplier base in early 2019. This is supported by DPG's ABC policy, which applies a zero-tolerance approach to corruption related to the suppliers and contractors we work with.

## Due Diligence Across our Operations

**At DPG** we have due diligence processes in place to identify possible incidents of labour exploitation. Across all our operations (offices, supply chain centres and corporate stores) we have identified potential hotspots for slavery or human trafficking, such as recruitment, and carry out internal due diligence. We carry out rigorous checks to ensure all our direct colleagues have a right to work, and carry out cross-checks of their identity, bank details and addresses through our payroll system.

One of our key risk areas is our external labour providers. We have a small set of recruitment providers that we work with and engage them to ensure they have similarly strict procedures in place. In 2018, we developed a set of terms and conditions for recruitment providers that reference the issue of Modern Slavery, which will be implemented in 2019.

We currently operate 33 corporate stores within the UK. We only use direct colleagues at these corporate stores and have the same rigorous checks in place. When we buy new UK corporate stores, we carry out a detailed review process to understand the business and highlight any employment issues that need to be resolved. This review includes an employee identification and payroll process review, which helps to identify potential risks with regards to malpractice and modern slavery.

This due diligence is an active process, and during 2018 we identified two areas that needed further investigation. Taking advice from the Gangmasters and Labour Abuse Authority (GLAA), both were investigated fully and no cases of modern slavery were found.

**Our franchisees** are the foundation of our business and we expect the similar high standards from them as we do from ourselves at DPG. We provide franchisee partners with guidance to ensure they understand our business values, policies and processes, and are able to meet our brand standards. Our operations evaluation team audits every store at least twice a year against our brand standards. We operate a corrective action plan process for those that do not achieve the required standards, giving them time to improve.

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**Our suppliers** are key partners who help us to create brilliant pizzas. We expect high standards from our suppliers and any new partners we work with undergo a strict due diligence process.

We expect our suppliers to sign-up to the Supplier Ethical Data Exchange ('Sedex'), an internet-based sharing platform which promotes ethical and responsible business practices in supply chains. Through Sedex our suppliers voluntarily share data on their employment practices, business practices and supply chains with us. In 2018 we increased the number of food suppliers signed up to the system to 85%, compared with 82% in 2017, and 29% of these suppliers have also had an audit in the last 2 years.

During 2018 we completed a risk analysis of all our food and key non-food suppliers. We analysed suppliers from a country and sector risk perspective, focusing on labour rights, health and safety, corruption and environmental risks in our supply chain. Through this process, we identified high risk suppliers where our key risks lie and have begun to develop a responsible sourcing framework to underpin our approach. In 2019 we aim to increase significantly the number of our food and non-food suppliers signed up to Sedex and ensure that all our high risk food suppliers have had a recent Sedex SMETA audit (in the last 2 years) that they have shared with us.

## Training for Employees and Franchisees

**At DPG** we are pairing our policy refresh with training (both general and targeted). This will continue into 2019, where we aim to train all employees in Anti-Bribery and Corruption at a basic level, with additional bespoke training given to those in higher risk roles.

During 2018 we have been working with our corporate stores on the issue of modern slavery. We delivered a briefing session to our corporate store management team on modern slavery and spotting the signs of labour exploitation. In early 2019 we are planning more in-depth training sessions on modern slavery for our corporate store field operations team and corporate store managers. Our training approach and any materials we develop can then be shared with our franchisees in 2019.

**Our franchisees** are given two key fact sheets on modern slavery - 'Modern Slavery Act 2015' and 'Spotting the signs of Labour Exploitation'. These were both reviewed in 2018 and re-issued to all franchisees. We also continue to provide franchisees with signposts to the relevant authorities and the modern slavery support charity Stronger2gether, for further information and guidance.

## Our Plans for 2019

In 2019 we will continue to focus on training and raising awareness. As our policy refresh and rollout continues, we will couple this with increased training, starting with Anti-Bribery and Corruption. We will also be releasing a new training module 'Recruit Retain' for all line managers in the UK and Ireland. This training module covers the right to work and modern slavery.

At our corporate stores, we will carry out in-depth training on modern slavery for our store managers and field operations team. Once this has been completed, we will share the materials with our franchisees.

During the year, we will also continue to work with our suppliers, sharing our Code of Practice and implementing our responsible sourcing framework. By the end of 2019 we aim to increase significantly the number of our suppliers registered on Sedex and have recent audits (in the last 2 years) for all our high risk food suppliers.

## Board Approval

This statement has been approved by the DPG Board and signed by David Wild, Group Chief Executive, on their behalf.

David Wild

Chief Executive, Domino's Pizza Group plc

6 June 2019